

ASSEMBLY BILL

No. 695

Introduced by Assembly Member Pescetti

February 22, 2001

An act to add Section 6356.4 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 695, as introduced, Pescetti. Sales and use taxes: exemption: energy efficient appliances and solar paneling.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.

This bill would additionally exempt residential and commercial appliances that are energy efficient, as defined, and solar paneling that is capable of generating up to one megawatt of electricity per site.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6356.4 is added to the Revenue and
2 Taxation Code, to read:

3 6356.4. There are exempted from the taxes imposed by this
4 part the gross receipts from the sale in this state of, and the storage,
5 use, or other consumption in this state of:

6 (a) Energy efficient residential and commercial appliances. For
7 purposes of this subdivision, “energy efficient” means that the
8 appliances meet or exceed the applicable ENERGY STAR
9 efficiency requirements developed by the United States
10 Environmental Protection Agency and the United States
11 Department of Energy.

12 (b) Solar paneling that is capable of generating up to one
13 megawatt of electricity per site.

14 SEC. 2. This act provides for a tax levy within the meaning of
15 Article IV of the Constitution and shall go into immediate effect.
16 However, the provisions of this act shall become operative on the
17 first day of the first calendar quarter commencing more than 90
18 days after the effective date of this act.

